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SECURITY INFORMATION

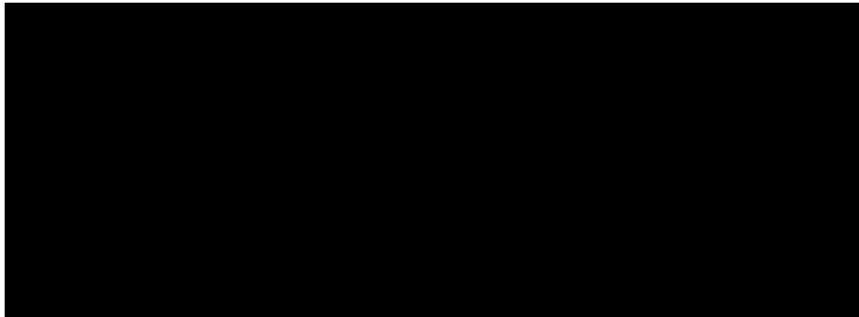
NSC BRIEFING

19 November 1953

INDONESIA

25X1X6el

I.



B. Chairman of National Party, which dominates government coalition, confirmed <sup>to press</sup> he ordered party's branches to cooperate closely with Communists.

1. Said such instructions were "completely logical," since Communists were supporting the government.

II. Representatives of Masjumi and Socialists, two principal anti-Communist parties, excluded from <sup>9 member</sup> commission appointed to supervise first national elections,

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- A. But Communist agrarian organization included to represent Communist Party interests.
- B. Move regarded as first step toward undermining opposition's chances at polls and toward rigged elections.
- C. Generally believed that Masjumi could win an election, if held soon and was fair.

III. Pro-Communist Minister of Defense <sup>Moscow Training + R. info</sup> has completed reorganization of his ministry.

- A. Influence of moderate chiefs of staff considerably decreased.
- B. Post of chief of staff of armed forces remains, but no duties or authority attached to it.
  - 1. Post presently held by able, anti-Communist officer.

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*Def. Ministry*

C. Reorganization apparently had dual purpose:

1. To reduce influence of anti-Communist elements in armed forces.
2. To decrease possibility of a coup by those elements.

D. Defense Minister has reportedly appointed four Communists to advise him on management of these service groups,

IV. Labor ministry virtually taken over by a Communist-controlled Labor Federation and agricultural minister has shown marked favoritism for Communist agrarian organizations.

A. Significant personnel changes in Ministries of Economic Affairs and Finance.

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1. On the surface, these appear as normal turnover accompanying change of administration.
2. Effect, however, is replacement of persons friendly to West by persons eager or willing to support policies acceptable to Communists.

V. ~~Reports continue that~~ <sup>have incipient for</sup> Anti-Communist army leaders <sup>are planning a</sup> coup, to take place within next six months.

- A. Former army chief of staff, staunch anti-Communist, reportedly negotiating with Natsir, chairman of Masjumi.
- B. Meanwhile, efforts to form strong political opposition in parliament apparently making no headway.

VI. On 10 November, President Sukarno accused both Moslem fanatics and extreme Communists of awaiting a third world war to seize power.

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- A. President's first critical reference to Communists since Ali government took office.
  - B. But President referred only to "extreme" Communists.
  - C. In any case, no indication that Sukarno's views will affect government's policy on Communists nor that he is concerned over political situation.
  - D. Both President and National Party leaders apparently feel they can maneuver Communists in and out of government as suits their purpose.
- VII. Security situation continues to deteriorate; government efforts to restore order not effective.
- A. Atjehnese still fighting in North Sumatra.

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B. Darul Islam terrorism in west and central Java has increased.

C. Dissidents in south Celebes have established tie with Darul Islam.

VIII. This cabinet, like predecessors, continues to press claim for Netherlands New Guinea, known to Indonesians as Irian.

A. Issue used primarily against Dutch but Indonesians irritated at American failure to support their position.

B. Australia concerned, owing to its control of eastern half of island.

C. Area is exploitable target for Communists, who cite it as example of continuing Western colonialism.

*take measure  
of internal  
problem*

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D. Foreign Minister stated that if Netherlands does not yield, Indonesia will be forced to use means "other than negotiations" to assume rightful control.

IX. Ali government now plans to open embassy in Moscow next month.

A. Previous governments have made moves toward this but have always postponed action.

X. Indonesian trade mission arrived in Peiping few days ago.

A. Its chief told Hong Kong press he seeks "ties for stimulating and intensifying economic and commercial relations between the two countries."

B. On 11 November, however, Prime Minister said his government had not decided to send rubber to China.

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XI. Lowered world prices for rubber and for tin, two of Indonesia's major exports, figure heavily in propaganda of Communists.

*Communist claim*  
A. Many Indonesians convinced U.S.

^ had deliberately forced down price of rubber.

B. Communists have seized on current negotiations for American tin purchase, under 1952 contract, to charge U.S. will buy Indonesian tin only to extent it can extract political concessions.

XII. Prospect is for continuing Communist gains behind the facade of an ostensibly non-Communist government.

A. Communists can avoid bold and risky moves.

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1. Their happy relationship with government puts them in excellent position to exploit deteriorating security and mounting economic problems.
- B. Infiltration of the ministries and armed forces at all levels will quietly proceed at an accelerating pace.
- C. The grave danger is that the Communists may attain enough power to seize control before local opposition or the outside world realizes what is happening.

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XIII. Between fall of cabinet on 2 June and formation of present cabinet, five attempts were made to form a workable coalition.

A. First was a joint Masjumi-National Party effort to reconstruct the former coalition. *(MASJUMI-NATIONAL)*

B. Next two were National Party attempts.

1. First of these would have excluded Masjumi and Socialists and depended on Communist support.

a. But at that time, Sukarno refused to approve.

2. Next attempt was to get Masjumi in but on terms that latter obviously would not accept.

*(NOT ENOUGH GOVT POSTS -)*

C. Fourth attempt was by Masjumi.

Concessions offered to gain  
National Party adherence, but  
latter refused.

D. Final attempt was by minor party  
representative.

1. He lumped a number of small  
parties with National Party,  
excluding Masjumi and Socialists.  
Communist Party also excluded  
but three small Communist front  
groups included.
2. Sukarno then surprisingly  
accepted essentially what he  
had refused before.